Government of
Saskatchewan

Annual Report
1990

Saskatchewan
Liquor Board
Superannuation
Commission

Annual Report
1990

Forty-sixth
Annual Report
of the
Saskatchewan
Liquor Board
Superannuation
Commission
for the year ended
December 31, 1990

92-01678/

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Saskatchewan
Liquor Board
Superannuation
Commission

Regina, Saskatchewan

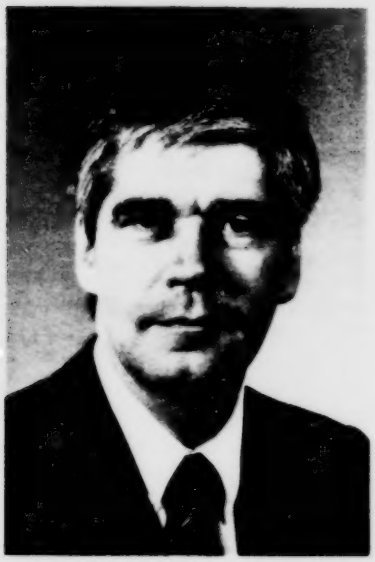
The Honourable S. Fedoruk
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to submit herewith the forty-sixth Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 1990, pursuant to the provisions of Section 54 of The Liquor Board Superannuation Act.

Respectfully submitted,

Darrel Cunningham
Minister in Charge
Liquor Board
Superannuation Commission



Regina, Saskatchewan

The Honourable Darrel Cunningham
Minister in Charge
Liquor Board Superannuation Commission
Regina, Saskatchewan

Sir:

I have the honour to submit herewith the forty-sixth Annual Report of the Saskatchewan Liquor Board Superannuation Commission, together with the financial statements, for the fiscal year ending December 31, 1990, pursuant to the provisions of Section 54 of The Liquor Board Superannuation Act.

Respectfully submitted,

Brian L. Smith
Chairman

The Liquor Board Superannuation Commission

Introduction

The Commission, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of The Liquor Board Superannuation Act.

The primary objective of the Commission is to provide superannuation allowances to employees who retire and to the dependents of deceased superannuates and employees, in accordance with the Act.

Contributions and Payments

During the calendar year ended December 31, 1990 employees' contributions to the Liquor Board Superannuation Fund amounted to $284,925. Employer contributions of $951,701 were made to the Fund.

Allowances paid during the year to superannuates, and to the spouses and children of deceased superannuates and employees, amounted to $2,284,574.

Retirements and Deaths

Six employees retired during the year:

Normal retirement at age 65	1
Optional retirement after 35 years of service	2
Optional retirement after age 60 with no reduction	3
Total	6

For further details, see Tables 1 and 2.

During the year seven superannuates and three spouses receiving an allowance died. There were five beneficiaries. (See Tables 3 and 4).

During the year one employee died and a spousal allowance was paid. (See Tables 5 and 6).

Administration

The Public Employees Benefits Agency in the Department of Finance is responsible for the operation, administration and management of the Liquor Board Superannuation Plan.

The Commission extends its appreciation to the diligent staff of the Public Employees Benefits Agency responsible for the day to day administration and accounting requirements of the Liquor Board Superannuation Plan and to employees of the Liquor Board for their co-operation and assistance during the year.

Liquor Board Superannuation Commission

Brian Smith	Chairman
Ted Urness	Member
Wally Fries	Member

Table 1 Allowances Granted to Employees

Name	Position	Effective Date
Employees Retired Having Attained the Age of Retirement--Age 65		
Marteniuk, John	L.S. Manager II	September 1, 1990
Employees Retired at Their Option After 35 Years Service		
Carey, William	Warehouse Foreman	May 1, 1990
Hamilton, Franklin	L.S. Manager IV A	July 22, 1990
Employees Retired at Their Option After Age 60--No Reduction		
Collins, Ethel	Accounting Clerk	January 1, 1990
Mackintosh, Thomas	L.S. Manager I	July 1, 1990
Spetz, Lawrence	Audit Manager	February 15, 1990 (Deferred)

Table 2 Allowances Granted to Employees

Final Monthly Salary	Age	Years of Service	Annual Allowance
Employees Retired Having Attained the Age of Retirement--Age 65			
1. 2,768.12	65	31.116	14,554.20
Employees Retired at Their Option After 35 Years Service			
1. 2,344.30	59	35.247	18,462.60
2. 3,521.67	58	35.142	28,748.52
Employees Retired at Their Option After Age 60--No Reduction			
1. 2,549.17	62	30.23	17,917.68
2. 3,864.00	52 (Deferred)	30.5	28,231.68
3. 2,156.49	61	22.252	14,333.76

Table 3 Allowances Granted to Spouses of Deceased Superannuates

Name	Date of Death	Age at Death
Baum, Victor	June 21, 1990	76
Blizzard, Susan (Spouse)	March 28, 1990	92
Holbrow, Thomas	June 8, 1990	86
Kenny, Albert	September 26, 1990	67
Okrusko, Michael	June 6, 1990	76
Pawliw, Mary (Spouse)	May 7, 1990	78
Portlock, M. Alice (Spouse)	March 8, 1990	88
Salamon, Michael J.	November 11, 1990	85
Upcott, James	November 5, 1990	74
Zado, Gustav	December 22, 1989	80

Table 4 Allowances Granted to Spouses of Deceased Superannuates

Annual Allowance at Death	Annual Allowance Payable to Spouse	Effective Date
1. 6,130.08	No Beneficiary	
2. 9,020.88	5,412.48	January 1, 1990
3. 9,333.60	9,258.00	July 1, 1990
4. 7,502.76	No Beneficiary	
5. 2,463.36	No Beneficiary	
6. 4,569.00	2,741.40	July 1, 1990
7. 14,867.16	8,920.30	October 1, 1990
8. 3,816.00	No Beneficiary	
9. 3,143.16	1,885.90	July 1, 1990
10. 3,555.24	No Beneficiary	

Table 5 Allowances Granted to Spouses of Deceased Employees

Name	Position	Date of Death	Age at Death
Morissette, John	L.S. Manager II	June 7, 1990	42

Table 6 Allowances Granted to Spouses of Deceased Employees

Annual Salary at Death	Annual Allowance Payable to Spouse	Effective Date
1. 32,250.00	9,301.78	June 10, 1990

Liquor Board Superannuation Plan

Financial Statements

Year Ended December 31, 1990

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the statement of net assets available for benefits of the Liquor Board Superannuation Plan as at December 31, 1990 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

W.K. Strelioff

W. K. Strelioff, C.A.
Provincial Auditor

Regina, Saskatchewan
May 21, 1991

Statement 1

Liquor Board Superannuation Plan
Statement of Net Assets Available for Benefits

As at December 31

	1990	1989
Assets		
Investments		
Cash and short term investments	$ 998,721	$ 146,972
Bonds and debentures	5,130,935	6,459,228
Equities	4,351,437	5,167,086
Mortgages	312,322	324,473
	10,793,415	12,097,759
Receivables		
Employees' contributions	24,120	18,716
Employer's contributions	88,876	293,417
Accrued investment income	125,430	171,681
Other	1,805	11,653
Total assets	11,033,646	12,393,226
Liabilities		
Administration expenses payable	5,072	6,253
Superannuation allowances payable	42,055	89
Total liabilities	47,127	6,342
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	$10,986,519	$12,386,884

(See accompanying notes to the financial statements)

Statement 2

Liquor Board Superannuation Plan
Statement of Changes in Net Assets Available for Benefits

Year Ended December 31

	1990	1989
Increase in assets:		
Investment income		
Interest	$ 666,698	$ 829,153
Dividends	217,000	196,095
Mortgages	36,899	38,707
Other	10,125	7,136
	930,722	1,071,091
Market value adjustments (Note 3)	(1,037,531)	484,860
Contributions		
Employees'	284,925	301,063
Employer's	951,701	1,005,999
Total increase in assets	1,129,817	2,863,013
Decrease in assets:		
Superannuation allowances	2,284,574	2,200,775
Administration and investment management expenses (Note 5)	51,143	59,169
Refunds and transfers		
Contributions	66,788	32,633
Interest	30,482	14,710
Employer matching on reciprocal transfers	97,195	--
Total decrease in assets	2,530,182	2,307,287
Increase (decrease) in net assets	(1,400,365)	555,726
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	12,386,884	11,831,158
NET ASSETS AVAILABLE FOR BENEFITS, end of year - to Statement 1	$10,986,519	$12,386,884

(See accompanying notes to the financial statements)

The Liquor Board Superannuation Plan
Notes to the Financial Statements
Year Ended December 31, 1990

1. Description of the Plan

a) General

The Liquor Board Superannuation Plan is a defined benefit final average pension plan established under The Liquor Board Superannuation Act. Membership is comprised of employees and board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October 1, 1978. Complete Plan details are contained in The Liquor Board Superannuation Act.

b) Administration

The Liquor Board Superannuation Commission administers the Plan. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Superannuation Fund

The Act also established the Liquor Board Superannuation Fund to account for all transactions of the Plan.

d) Funding Policy

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of the commencement of employment. Contributions are reduced by an amount equal to deemed Canada Pension Plan contributions. The employer contributes a fixed percentage of the members' contributions as necessary to fund the benefits provided by the Plan. This rate is set periodically by the Commission on the advice of the Actuary.

e) Retirement

Normal retirement is at age 65. Employees may retire earlier under certain conditions.

f) Pensions

Annual pensions are calculated as 2% of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum number of 35. At age 65, member's pensions are reduced due to integration with the Canada Pension Plan.

2. Significant Accounting Policies

a) Basis of Accounting

These financial statements are prepared using the accrual basis of accounting.

b) Investments

Investments in bonds, debentures and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers. In the absence of recorded sales, reference is made to closing year end bid and ask prices.

Short term investments are valued at cost which approximates market value. Mortgages are valued using current market yields.

3. Change in Accounting Policy

The recommendations of Section 4100 of the Canadian Institute of Chartered Accountants Handbook were adopted during the year and applied on a retroactive basis. As a result, the format of the financial statements was changed and the basis for valuing investments was changed from amortized cost to market value (see Note 2).

The effect of the change is as follows:

Increase(decrease) in investments	$ (451,070)	$ 444,370
Decrease in (gain) loss on sale of investments	142,091	(394,593)
Increase(decrease) in market value adjustment	(1,037,531)	484,860
Incease in net assets available for benefits, beginning of year	444,370	354,103
Increase(decrease) in net assets available for benefits, end of year	$ (451,070)	$ 444,370

4. Unfunded Liability

An actuarial valuation of the Saskatchewan Liquor Board Superannuation Plan was performed as at December 31, 1989 by William M. Mercer Ltd. The actuary indicated that using the projected benefit method prorated on services, the present value of services provided to the valuation date was $26.1 million. Assets available, valued at market-related amounts, totalled $12.4 million. The resulting unfunded actuarial liability was stated to be $13.7 million.

If there are insufficient monies in the Fund to pay allowances or other payments, the Liquor Board is obligated to pay any such deficiency to the Fund.

5. Administrative Expenses

a) Administration

Expenses asociated with administering the Plan are paid out of the Fund to the Public Employees Benefits Agency Revolving Fund.

b) Investment Management Services

The Investment Corporation of Saskatchewan (ICS) provides investment management services to the Fund on a fee-for-service basis. The Fund is a shareholder in ICS along with several other Saskatchewan public sector pension funds and government agencies.

The Fund holds 100 Class A shares and 2,507 Class B shares in the Investment Corporation of Saskatchewan.

Account balances resulting from the above transactions are included in the statement of net assets available for benefits and are settled on normal trade terms.

Exhibit 1

Liquor Board Superannuation Plan
Schedule of Investments (Unaudited)

December 31

Security	Par Value	Market Value
Government of Canada	$ 875,000	$ 911,288
Manalta Coal Limited	150,000	160,591
Province of Saskatchewan	1,257,000	1,257,083
Saskatchewan Power Corporation	19,500	26,130
Ontario Hydro	950,000	839,625
Alberta Energy Corporation	325,000	300,438
Cambridge Shopping Centre	80,000	70,400
Interhome Energy Incorporated	252,000	247,590
Int'l Bank for Reconstruction & Development	25,000	23,000
Mark Resources Incorporated	50,000	47,000
National Bank of Canada	500,000	494,375
Pacific Western Airlines	75,000	44,250
Producers Pipelines	387,963	406,391
Roylease Limited	330,000	302,775
Air Canada Incorporated		18,700
Alcan Aluminium Limited		105,750
American Barrick Resources		106,575
BC Gas Limited		20,650
BC Telephone Company		23,100
Bank of Montreal		110,675
Bank of Nova Scotia		60,328
BCE Incorporated		67,150
BMO NT Financial Corporation		17,600
BNT Limited		61,800
Brascan Limited		34,375
CAE Industries Limited		10,120
Canadian Imperial Bank of Commerce		93,187
Canadian Pacific Limited		110,600
Canadian Tire Corporation Limited		71,750
Canfor Corporation		32,062
CM NT Equity Corporation		33,075
Cominco Limited		44,625
Domtar Incorporated		13,650
Enerplus Resources Corporation "G"		595,944
First Merchants Equity		168,000
Hees International Bancorp		34,913
Hemlo Gold Mines Incorporated		31,500

Liquor Board Superannuation Plan
Schedule of Investments (Unaudited) (continued)

December 31

Security	Par Value	Market Value
Imasco Limited		$ 60,775
Imperial Oil Limited		99,662
Inco Limited		94,000
Innopac Incorporated		3,300
Interhome Energy Incorporated		23,875
Investment Corporation of Saskatchewan "A"		100
Investment Corporation of Saskatchewan "B"		3,484
Ipsco Incorporated		40,150
John Labatt Limited		46,200
Laidlaw Incorporated		55,575
MacLean Hunter Limited		64,488
MacMillan Bloedel Limited		30,150
Molson Companies		62,225
Moore Corporation		61,800
Noranda Incorporated		55,275
Norcen Energy Resources		50,325
Northern Telecom Limited		110,500
Nova Corporation of Alberta		85,387
Oshawa Group Limited		43,575
Place Dome Incorporated		112,575
Potash Corporation of Saskatchewan		31,750
Power Corporation of Canada		43,200
Power Financial Corporation		62,050
Royal Bank		120,250
RY NT Financial Corporation		62,000
Scott's Hospitality Incorporated		32,175
Seagram Company Limited		102,000
Sears Canada Incorporated		33,000
Shell Canada Limited "A"		40,700
SNT Limited		3,895
Southam Incorporated		24,375
Teck Corporation		91,850
Thomson Corporation		119,000
TNT Financial Limited		10,140
Toronto Dominion Bank		89,775
Transalta Utilities Corporation		17,813
Transcanada Pipelines		47,600
Abbott Laboratories		15,664

Liquor Board Superannuation Plan
Schedule of Investments (Unaudited) (continued)

December 31

Security	Par Value	Market Value
Amerada Hess Corporation		$ 20,447
American Telephone & Telegraph		19,574
Bankamerica Corporation		19,371
BT Shipping Limited		1,401
Burlington Northern Incorporated		3,836
Caterpillar Incorporated		19,087
CMS Energy Corporation		13,584
Columbia Gas System Incorporated		18,492
Commonwealth Edison Company		10,116
Compaq Computer Corporation		22,289
Computer Associates Int'l Incorporated		2,788
Cooper Tire & Rubber Company		13,909
Du Pont E I De Nemours		29,422
Gatx Corporation		10,508
General Electric Company		26,687
General Motors Corporation		24,729
Georgia Pacific Corporation		15,128
Gerber Products Company		9,892
Gibson Greetings Incorporated		11,023
Glaxo Holdings Plc.		3,420
GTE Corporation		6,788
Lilly, Eli & Company		5,950
Long Island Lighting Company		7,441
Melville Corporation		22,904
Phelps Dodge Corporation		13,140
Reynolds Metals Company		9,921
Schering Plough Corporation		28,834
Texaco Incorporated		20,357
TJX Companies Incorporated		6,688
Valley National Corporation		4,290
Waban Incorporated		4,453
Waste Management Incorporated		8,180
NHA Guaranteed Mortgages		312,322
	$5,276,463	$9,794,694

Liquor Board Superannuation Plan
Schedule of Investments (Unaudited) (continued)

December 31

Summary	Par Value	Market Value
Government of Canada	$ 875,000	$ 911,288
Provincials and Guarantees	2,376,500	2,283,429
Convertible Debentures	280,000	222,400
Corporate Securities	1,744,963	1,713,819
	$5,276,463	$ 5,130,936
Canadian Equities		3,901,123
Foreign Equities		450,313
	$5,276,463	$ 9,482,372
Mortgages		312,322
Total Long Term Investments	$5,276,463	$ 9,794,694
Short Term Investments	1,005,000	977,307
	$6,281,463	$10,772,001

Exhibit 2

Liquor Board Superannuation Plan
Schedule of Investment Transactions (Unaudited)

Year Ended December 31, 1990

Bonds and Debentures

Purchased	Maturity Date	Interest Rate	Cost
Government of Canada	Sept 1, 2000	11.50%	$ 104,700
Government of Canada	June 1, 2015	11.25%	277,456
			382,156

Sold or Matured			Proceeds
Government of Canada	March 15, 1998	10.75%	101,000
Government of Canada	Dec 15, 2002	11.25%	77,595
Saskatchewan	Feb 1, 2002	9.00%	593,600
Alberta Energy Corp	Sept 30, 2003	7.25%	146,913
Norcen Energy Resources	Dec 20, 2003	13.25%	178,842
Pacific Western Airlines	Dec 30, 1996	7.625%	175,388
Potash Corp of Sask	Dec 1, 1992	10.75%	3,453
Producers Pipelines	June 30, 1995	12.00%	20,370
Union Gas Ltd	Nov 1, 2002	14.25%	179,870
			1,477,031

NET CHANGE	$(1,094,875)

Insured Mortgages
Transactions During the Year 1990

Metropolitan Trust	Interest Rate	Purchased	Disposed	Net
- Dahlem (Aspen) Holdings	10.125%	-	$ 3,074	$ (3,074)
- Country Club Estates	12.75%	-	5,684	(5,684)
			$ 8,758	$ (8,758)

Corporate Shares
Transactions During the Year 1990

Canadian Equities	Shares	Purchases	Disposals	Net
American Barrick Resources	4,200	$ 91,109	$	$ 91,109
Bank of Montreal	600	28,801	40,275	(11,474)
Bank of Nova Scotia	2,525		36,819	(36,819)
BCE Inc	200	30,486	19,738	10,748

Liquor Board Superannuation Plan
Schedule of Investment Transactions (Unaudited) (continued)

Canadian Equities (Continued)	Shares	Purchases	Disposals	Net
BNT Ltd	700	$ 10,535	$	$ 10,535
Cdn Imperial Bk of Commerce	100	47,643	41,400	6,243
Enerplus Resources "B"	25,000		168,750	(168,750)
Enerplus Resources "C"	37,500		337,500	(337,500)
Enerplus Resources "D"	25,000		240,625	(240,625)
Enerplus Resources "G"	122,875	785,209		785,209
Imperial Oil Ltd	400		22,940	(22,940)
Laidlaw Inc	300		6,988	(6,988)
Molson Companies	1,900	70,471		70,471
Moore Corp Ltd	800		27,280	(27,280)
Potash Corp of Sask	2,000	29,163		29,163
Royal Bank of Canada	3,000		70,050	(70,050)
Seagram Co Ltd	300		30,330	(30,330)
Shell Canada Ltd	200	7,942		7,942
SNT Ltd	1,025	4,766		4,766
Southam Inc	1,300	42,738		42,738
Thomson Corp (Dep Rcts)	-		73	(73)
TNT Financial Ltd	2,700	11,093		11,093
Toronto Dominion Bank	800	14,137	26,962	(12,825)
Total Canadian Equities		1,174,093	1,069,730	104,363
Foreign Equities				
Abbott Laboratories	200		8,859	(8,859)
BT Shipping Ltd	230	3,743		3,743
Burlington Northern Inc	115	4,791		4,791
Coca-Cola Ltd	220		11,414	(11,414)
Compaq Computer Corp	50		7,561	(7,561)
Computer Associates Int'l Inc	600		7,447	(7,447)
General Electric Co	150		11,228	(11,228)
Gerber Products Co	265		13,523	(13,523)
Glaxo Holdings Plc	90	2,818		2,818
Eli Lilly & Co	70	6,980		6,980
Lubrizol Corp	340		15,103	(15,103)
Phelps Dodge Corp	100		7,665	(7,665)
Reynolds Metals Co	250		19,675	(19,675)
Schering Plough Corp	100		5,337	(5,337)
Texaco Inc Preferred	1		59	(59)

Liquor Board Superannuation Plan
Schedule of Investment Transactions (Unaudited) (continued)

Foreign Equities (Continued)	Shares	Purchases	Disposals	Net
TJX Companies	-	$	$ 4,619	$ (4,619)
Waban Inc	-	218		218
Waste Management Inc	560	441	25,793	(25,352)
Total Foreign Equities		18,991	138,283	(119,292)
Total Equities		$1,193,084	$1,208,013	$ (14,929)

Short Term Investments	Purchases	Disposals	Net
Transactions During the Year	$11,015,886	$10,083,391	$ 932,495

Liquor Board Superannuation Plan
Schedule of Investment Transactions (Unaudited) (continued)

Summary of Investment Transactions	
Decrease in Bonds and Debentures	$(1,094,875)
Decrease in Insured Mortgages	(8,758)
Decrease in Corporate Equities	(14,929)
Increase in Short Term	932,495
Total Investment Transactions	(186,067)
Investments Beginning of Year	11,995,599
Market Value Adjustment	(1,037,531)
Investments End of Year (At Market Value)	$10,772,001